

The opinion in support of the decision being entered today
was *not* written for publication in and is *not* binding
precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte KEVIN FOLEY and KIM BANG

Appeal No. 2006-2896
Application No. 09/412,408
Technology Center 3600

HEARD: NOVEMBER 16, 2006

Decided: February 9, 2007

Before OWENS, LEVY, and FETTING, *Administrative Patent Judges*.

FETTING, *Administrative Patent Judge*.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. §134 from the examiner's final rejection of claims 1 through 29, which are all of the claims pending in this application.

We AFFIRM.

BACKGROUND

The appellant's invention relates to a trading system. An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below.

1. A method for electronically trading stocks using an electronic trading system while maintaining the identity of the trading parties anonymous with respect to each other and with respect to users of the trading system, comprising:

a first party offering to buy or sell over the system a number of shares selected by the first party of a stock at a price selected by the first party from or to one or more counterparties selected by the first party;

the first party and a counterparty electronically agreeing to trade up to an agreed number of shares of the stock at an agreed price;

if there is no better trade in at least one stock order originating from outside the system for the particular stock for neither the first party nor the counterparty, the system electronically executing the trade agreed to by the first party and the counterparty, and if there is a better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system executing the better trade.

The appellant's also claim a broader variant of their trading system in claim 16, which is reproduced below.

16. In an electronic trading system comprising at least one computer with associated computer memory and a plurality of user stations coupled thereto via a communications network, where the at least one computer is programmed to automatically match orders entered into the user stations by users and to automatically execute trades of matched orders;

Appeal Number: 2006-2896
Application Number: 09/412,408

the improvement comprising the at least one computer having a listing of system users accessible by any system user via a user station, wherein responsive to user input via user stations the at least one computer is programmed to create a subset of system users selected by a user to which that user authorizes the system to transmit an indication of interest (IOI) in a stock for which that user has entered a related order that can be automatically matched and for which a trade can be automatically executed, the at least one computer being programmed to transmit, to the users in the subset of users selected by the user that entered the related order the IOI with respect to which the related order has been entered.

PRIOR ART

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Silverman	5,924,082	July 13, 1999
McCausland	5,243,331	September 7, 1993
Ferstenberg	5,873,071	February 16, 1999
Tilfors	6,377,940	April 23, 2002 (November 5, 1998)

REJECTIONS

Claims 1 through 6 stand rejected under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure.

Claims 1 through 6 stand rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.

Claims 1 through 15 stand rejected under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors.

Appeal Number: 2006-2896
Application Number: 09/412,408

Claims 16 through 19 and 26 through 29 stand rejected under 35 U.S.C. § 103 as obvious over Silverman.

Claims 20 through 23 stand rejected under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland.

Claims 24 and 25 stand rejected under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg.

Rather than reiterate the conflicting viewpoints advanced by the examiner and the appellants regarding the above-noted rejections, we make reference to the examiner's answer (mailed March 3, 2006) for the reasoning in support of the rejection, and to appellants' brief (filed November 2, 2005) and reply brief (filed May 3, 2006) for the arguments thereagainst.

OPINION

In reaching our decision in this appeal, we have given careful consideration to the appellants' specification and claims, to the applied prior art references, and to the respective positions articulated by the appellants and the examiner. As a consequence of our review, we make the determinations that follow.

Claims 1 through 6 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure.

The examiner makes both this and the below rejection under the second paragraph of 35 U.S.C. § 112 on the technical basis that claim 1 contains a grammatically incorrect phrasing, and because of this, fails both to have written

description support¹ and definiteness. This phrasing is in the final clause of claim 1 as follows: “if there is no better trade ... for neither the first party nor the counterparty, the system electronically executing the trade agreed to.” The examiner argues that the double negative of “no” and “neither/nor” is not supported by the specification (Answer 7, referring to Specification 16).

We must agree with the examiner that the specification does not support the claim as drafted. The specification supports a phrasing of “not” and “either/or”, instead. Therefore we will sustain the rejection, with the additional finding that *an amendment changing the words “neither” and “nor” to “either” and “or” would overcome this rejection* and make the claim consistent with the specification.

Accordingly we sustain the examiner's rejection of claims 1 through 6 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure.

Claims 1 through 6 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.

The basis for this rejection is the same as that above under the second paragraph of 35 U.S.C. § 112. We sustain this rejection for the same reason as above with the added finding that the double negative does render the claim indefinite, and note that *an amendment changing the words “neither” and “nor” to “either” and “or” would overcome this rejection* and render the claim definite.

¹ The problematic phrasing was not present on original presentation, but was introduced by amendment filed on December 7, 2004

Accordingly we sustain the examiner's rejection of claims 1 through 6 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.

Claims 1 through 15 under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors.

The examiner applies Silverman, a system for matching negotiations in an automated trading system (Silverman col. 1 Background of the Invention) to the first two clauses in the body of claim 1 and applies Tilfors, a system for setting a price based on finding prices available from alternate exchanges (Tilfors col. 1, Summary) to the third clause in the body of claim 1. The appellants argue that Silverman is not properly applied to claim 1.

As the Examiner acknowledged, Silverman *et al.* does not disclose "price discovery outside the initial trading system" (final Office Action at page 8). Silverman *et al.* teaches that there must be some negotiation between counterparties before a transaction can be completed. Silverman *et al.* does not disclose or suggest how negotiation would take place between a user of the Silverman *et al.* system and a non-user, i.e., a party who has not entered orders and transaction parameters into the Silverman *et al.* system. In fact, a trade proceeding to completion without negotiation between prospective parties to the trade, as is possible in the method claimed in claim 1, runs counter to the negotiated matching system disclosed in Silverman *et al.*

(Br. 10-11).

The appellants argue that Tilfors is not properly applied to claim 1.

Tilfors *et al.* does not disclose two parties negotiating and agreeing to a trade, for which there would then be an agreed to buy price and an agreed to sell price against which price discovery could proceed out of the exchange for both the buy order and the sell order. All of the

checking described above in Tilfors *et al.* is for the purpose of finding the best sell order for the entered buy order, and does not also involve price checking for a buy order. It would make no sense for the Tilfors *et al.* system to check prices of buy orders to complete a trade with an entered buy order. Tilfors *et al.*, simply does not address checking prices of both buy orders and sell orders for an entered order.

(Br. 12).

The appellants then argue that the combination of Silverman and Tilfors does not disclose the subject matter of claim 1, and that there is no motivation in the prior art to combine Silverman and Tilfors.

Tilfors *et al.* does not disclose parties negotiating and agreeing to a trade, for which there would then be an agreed to price against which price discovery could proceed out of the exchange for both buy and sell orders. Instead, all of the checking described in Tilfors is for the purpose of finding the best price of a sell order for an entered buy order, or the best price of a buy order for an entered sell order, but not both.

Even if it were obvious to combine Silverman *et al.*'s negotiation with Tilfors *et al.* (which we contend it is not), the combination does not disclose parties agreeing to a trade, and then execution of the agreed to trade only if there is no better trade for neither party to the agreed to trade.

(Br. 13).

As to the appellants' argument that Silvers does not disclose or suggest how negotiation would take place between a user of the Silverman *et al.* system and a non-user, this is not in claim 1. Claim 1 claims a negotiation between "the first party and a counterparty electronically agreeing to trade." Therefore, both parties are users. The apparent thrust of appellants' argument is that Silverman does not

disclose completing a trade with a non-user. The examiner agrees and applies Tilfors for this portion of the claimed subject matter (Answer 18-19).

As to the appellants' argument that "all of the checking described in Tilfors is for the purpose of finding the best price of a sell order for an entered buy order, or the best price of a buy order for an entered sell order, but not both" (*supra*), this argument itself admits that Tilfors' system contains the structure to find the best price for either side of an order. This is in fact what Tilfors describes as a "method and a device which automatically checks the best bid/offer from the other exchanges" (col. 1 lines 49-51). Thus, the appellants argue only that the system and method of Tilfors does not apply its taught method and system to both parties, although it is taught as being fully capable of doing so.

We note that, given the capacity to perform a function, choosing the party to apply that function toward is purely a business decision, and applying the function to any party or sets of parties is an art recognized equivalent to any other party or set of parties, depending only on the particular costs and benefits of selecting a particular party in the particular environment the function is found. The business decision, made by the system users, of how to treat each party is simply the flip side of the technical decision, made by the system designer, of what inputs to apply to a process. Tilfors has a process for finding a better price on either side of the transaction, and whether the user's business model includes or excludes one of the parties is no more restrictive of the scope of the system design than is whether both are, or only one is, submitted to Tilfors' process. The process itself is exactly the same in either case. "[T]he steps comprising the process are the essential features for consideration in determining the right of appellants to a patent – not the

particular material to which the process is applied nor the particular substance obtained by its application.” *In re Fahrni*, 41 C.C.P.A. 768, 771, 210 F.2d 302, 303, 100 U.S.P.Q. (BNA) 388, 390 (C.C.P.A. 1954). Certainly, Tilfors provides sufficient motivation to apply the function to either party as that the parties “want the best price available” (col. 1 lines 35-36).

As to motivation to combine Silvers and Tilfors, the suggestion test is not a rigid categorical rule. The motivation need not be found in the references sought to be combined, but may be found in any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem itself. *Dystar Textilfarben GmbH v. C.H. Patrick Co.*, 464 F.3d 1356, 2006 U.S. App. LEXIS 24642, 80 U.S.P.Q.2d (BNA) 1641 (Fed. Cir. 2006).

We note that Tilfors provides this suggestion as:

The basic idea is that market makers must have a two way quote in the market all the time. The quotes (together with ordinary orders) create a best bid and offer that is sent out as the exchange official price. The best bid or offer is used by investors when deciding about buying or selling an instrument.

However, in today's exchanges it has become more and more common that the same financial instrument is trades [sic] at different exchanges at the same time. Furthermore, the price for the same financial instrument is not always the same at these different exchanges.

However, investors are not interested in having to care about this. The investors want the best price available and demand that the exchange preferably should guarantee that it provides the best price if there is a deal. This has created a problem for investors, which have to chose the exchange at which the [sic] believe that they can obtain the best price at a particular moment.

(Tilfors col. 1 lines 23-40).

This portion of Tilfors describes the reason Tilfors devised its system for for investors using any trading system such as that for Silvers. Certainly Tilfors recognizes that there are instances where both sides are investors with an automated system for matching orders (col. 3, line 18, referring to an automated exchange rather than a market maker). Again, the above cited portion of Tilfors would suggest that the investors on both sides using such an automated exchange would avail themselves of the better price finding. Therefore, we find the appellant's arguments to be unpersuasive and we sustain the examiner's rejection of claim 1.

As to independent claims 7 and 9, the appellants apply the same arguments as they made against the rejection of claim 1 above and we find these arguments unpersuasive for the same reasons we noted above. The appellants have not separately argued the dependent claims, and therefore we sustain the rejection of the dependent claims.

Accordingly we sustain the examiner's rejection of claims 1 through 15 under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors.

Claims 16 through 19 and 26 through 29 under 35 U.S.C. § 103 as being obvious over Silverman.

The appellants argue

Independent claim 16 claims an electronic trading system comprising at least one computer programmed to automatically match orders entered into the user stations by users and to automatically execute trades of matched orders, and to transmit, to the users in a subset of users selected by the user that entered a related order, an IOI with respect to which the related order has been entered. In claim 16, the IOI transmitted by the system is an IOI in a stock with respect to

which the user has entered an order that can be automatically traded. In addition, claim 16 also refers to automatically matching orders and automatically executing trades of automatically matched orders. Thus, according to claim 16 the system can automatically match orders and execute trades of matched orders, and transmit an IOI in a stock for which the user has entered a related order that can be automatically matched and for which a trade can be automatically executed, and expressly relates the IOI to a specific order that can be automatically matched and automatically traded by the system.

(Br. 17).

The examiner responds

Appellant is of the opinion that the prior art of Silverman et al. does not teach "automatically executing a trade". Specifically, Appellant asserts that because Silverman et al. require negotiation, automatic execution of a trade is absent from Silverman et al. and, therefore, cannot be applied to claim 16 (Appeal Brief, page 17, lines 6-12). The Examiner respectfully disagrees. Silverman et al. teach parties to a transaction, after negotiations, sending signals to a remote matching computer for executing the transaction and removing a corresponding offer and bid from the system ('082, figures 1 and 2; column 6, lines 27-38; column 7, lines 54-64). Therefore, to one of ordinary skill, as the trade is executed by computer ('082, figure 1; column 6, lines 27-38; column 7, lines 54-64) it is necessarily executed automatically.

(Answer 22).

We must agree with the examiner that the word "automatically" is a very broad term that only refers to the execution itself of a trade in claim 16 as drafted. The word "automatically" means no more than to apply automated technique, which Silvers clearly does in the actual execution of a trade at the portions cited by the examiner, *supra.* Therefore, we find the appellant's arguments to be unpersuasive.

Accordingly we sustain the examiner's rejection of claims 16 through 19 and 26 through 29 under 35 U.S.C. § 103 as being obvious over Silverman.

Appeal Number: 2006-2896
Application Number: 09/412,408

Claims 20 through 23 under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland.

The appellants argue that these claims are patentable for the same reasons they argued in support of claim 16 above and we find them unpersuasive for the reasons we noted above relative to claim 16. Accordingly we sustain the examiner's rejection of claims 20 through 23 under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland.

Claims 24 and 25 under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg.

The appellants argue that these claims are patentable for the same reasons they argued in support of claim 16 above and we find them unpersuasive for the reasons we noted above relative to claim 16. Accordingly we sustain the examiner's rejection of claims 24 and 25 under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg.

RESPONSE TO DISSENT

The dissent acknowledges that Tilfors finds the best deal for one party, but argues that Tilfors does not find the best deal for the other party or suggest doing so. As we stated above, Tilfors teaches finding the best deal for the buy side and for the sell side. Although the market maker presented in Tilfors might waive this function, that is because of the particular characteristic of a market maker, and not because of any teaching or suggestion in Tilfors that another investor party might not be so precluded. The process on each side is exactly the same, viz. if the party is an investor, find the best price.

The dissent also argues that Silverman's investors would not have been motivated to apply Tilfors' price finding because "[t]he agreed upon terms appear to be what the parties consider the best combination of terms including price" and that once the parties have agreed upon the prices, Silverman's system automatically executes the trade. Of course, both of these situations are also present in the system that Tilfors was designed to improve. When a market maker set a bid and offer, and an investor entered a market order, both parties had agreed to the best combination of terms including price, at least within the immediate context, and the market automatically executed the order.

Tilfors' invention recognized there was a larger context, viz. other markets, that could be examined at precisely that point, and the reason for adding Tilfors' better price finding applies equally to Silverman's set of two investors, i.e. neither side in Silverman is a market maker, and therefore neither side has reason to forgo Tilfors' better price finding.

Further, we look to what a person of ordinary skill in the art would have known concerning how the problem at hand in Tilfors would be solved. Both the appellants and the Dissent argue as though the person of ordinary skill in the art is the user of the system. That is a red herring. A person of ordinary skill in the art of Tilfors' and Silverman's inventions is a systems designer with knowledge of the financial securities industry. The degree of intricacy in any securities trading system, such as Tilfors, requires that a person of ordinary skill in the art of such systems have computer system design and coding experience, plus sufficient knowledge of the actual environments in which the system is to execute to design its architecture.

This distinction between whether a person of ordinary skill in the art is a user or designer is critical, because whereas a user of a system is unable to modify the system characteristics, the user adapts to its limitations, whereas a systems designer must foresee the likely set of inputs to the system and design to properly process all of those inputs. Thus, a systems designer would foresee, and thus have knowledge of, a larger scope of inputs, and how those inputs would be processed, than a user of the system. The reason is simple and yet determinative – the user cannot adjust the system to inputs that have not been programmed for, and it is far more efficient and cost effective for a systems designer to accommodate those foreseeable inputs in the design rather than coming in later for a post-implementation patch. “Congress may not authorize the issuance of patents whose effects are to remove existent knowledge from the public domain, or to restrict free access to materials already available.” *Graham v. John Deere*, 383 U.S. 1, 148 USPQ 459 (1966). Knowledge that a person of ordinary skill in the art would

have acquired in the analysis of Tilfors' system requirements for each of the foreseeable inputs cannot be removed from the public domain.

Further, a systems designer of ordinary skill in the art would have created the system in the modular fashion of software systems design. Computer system design is intrinsically modular, comprising data structures and subprograms that rely on one another in hierarchical fashions. A person of ordinary skill in the art would have been immediately envisaged the simple sets of two criteria, i.e. two sides of the transaction and two choices as to whether to execute the better price function, as creating four members of a set of outcomes *vz.* execution for both sides, sell side, buy side, and neither side. Such a designer would have enabled the execution of each of four species, because each is a foreseeable input, and thus can be easily coded with two modular procedure calls. Where a system is purposefully designed to accommodate a foreseeable process, that process is within the knowledge of a person of ordinary skill in the art, even if the process is not explicitly recited in the text of the design, or even executed with the particular inputs used.

To the extent the execution ought to be limited based on certain inputs, a designer of ordinary skill in the art would have relied on error trapping of those inputs that the art teaches are not allowed. Nothing in Tilfors suggests that having both sides execute the function of using a better price is prohibited. Again, the appellants argue that the parties in Tilfors, as a matter of inputs to the process, would never have executed both sides. However, the parties of Silverman, who are both on equal footing as investors, would have, based on Tilfors teaching that investors want the best price. Therefore, a person of ordinary skill in the art would

Appeal Number: 2006-2896

Application Number: 09/412,408

have provided the capability for executing the best price function on both sides of a transaction as part in applying the skills of a person of ordinary skill in the art, and Silverman suggests a set of input parties to the system that would actually cause the system to so execute.

CONCLUSION

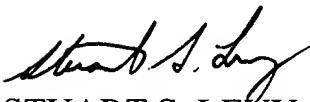
To summarize,

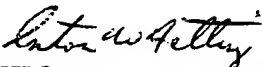
- The rejection of claims 1 through 6 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure is sustained. *An amendment changing the words “neither” and “nor” to “either” and “or” in claim 1 would overcome this rejection.*
- The rejection of claims 1 through 6 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention is sustained. *An amendment changing the words “neither” and “nor” to “either” and “or” in claim 1 would overcome this rejection*
 - 37 C.F.R. § 41.50(c) states that the opinion of the Board may include an explicit statement of how a claim on appeal may be amended to overcome a specific rejection and the appellant has the right to amend in conformity therewith. An amendment in conformity with such statement will overcome the specific rejection.
- The rejection of claims 1 through 15 under 35 U.S.C. § 103(a) as obvious over Silverman and Tilfors is sustained.
- The rejection of claims 16 through 19 and 26 through 29 under 35 U.S.C. § 103 as obvious over Silverman is sustained.
- The rejection of claims 20 through 23 under 35 U.S.C. § 103(a) as obvious over Silverman and McCausland is sustained.
- The rejection of claims 24 and 25 under 35 U.S.C. § 103(a) as obvious over Silverman and Ferstenberg is sustained.

Appeal Number: 2006-2896
Application Number: 09/412,408

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED


STUART S. LEVY
Administrative Patent Judge


ANTON W. FETTING
Administrative Patent Judge

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Appeal Number: 2006-2896
Application Number: 09/412,408

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Appeal Number: 2006-2896
Application Number: 09/412,408

OWENS, *Administrative Patent Judge*, dissenting-in-part and concurring-in-part.

Concurrence-in-part

Rejections under 35 U.S.C. § 112

The appellants' claim 1 recites: "if there is no better trade ... for neither the first party nor the counterparty, the system electronically executing the trade agreed to by the first party and the counterparty". Thus, if neither party cannot get a better trade, i.e., if either or both parties can get a better trade, the system electronically executes the trade agreed to by the parties. That is the opposite of what the appellants regard as their invention which, as indicated by the specification, is "if there is no better trade in at least one stock order originating from outside the system for the particular stock for either the first party or the counterparty, the system electronically executes the trade agreed to by the first party and the counterparty" (page 3, lines 7-9). Claim 1 and its dependent claims 2-6, therefore, 1) violate the 35 U.S.C. § 112, second paragraph, requirement that the claims claim the subject matter the appellants regard as their invention, and 2) do not have written descriptive support in the specification as required by 35 U.S.C. § 112, first paragraph. Moreover, the confusion regarding that claim language indicated by the appellants' reply brief (page 4) indicates a lack of claim

Appeal Number: 2006-2896
Application Number: 09/412,408

clarity in violation of the 35 U.S.C. § 112, second paragraph, requirement that the claims particularly point out and distinctly claim the invention.

For the above reasons I concur in the majority's decision to affirm the rejections under 35 U.S.C. § 112 of claim 1 and its dependent claims 2-6.

Rejections of claims 16-29

I limit my discussion to the independent claims (16 and 26) among claims 16-29 because, although additional references are applied in the rejections of claims 17-25 and 27-29, the appellants do not separately argue those claims. *See* 37 CFR § 41.37(c)(1)(vii)(2004).

Silverman discloses a system including a matching computer that uses a first set of transaction parameters such as price, quantity and user-provided rankings of other users, to determine whether potential bidders and offerors are compatible (col. 4, lines 58-63). The matching computer automatically matches bids and offers of compatible parties, signals the bidder and offeror to negotiate a second set of transaction parameters and, upon agreement of the parties to the transaction parameters, automatically executes the transaction (col. 4, lines 63-65; col. 7, lines 37-63).

The appellants argue that because Silverman's matched bidder and offeror must negotiate at least one term of a potential transaction before a trade can be

executed, the system does not automatically execute a trade of matched orders (brief, pages 17-18; reply brief, pages 8-9). The appellants' claims 16 and 26 do not exclude Silverman's negotiation step before the trade is automatically executed. The "comprising" transition term opens the claims to such a step. *See In re Baxter*, 656 F.2d 679, 686, 210 USPQ 795, 802 (CCPA 1981). Silverman indicates that once a bid and offer have been automatically matched and the bidder and offeror have agreed to all terms of the transaction, the matching system automatically executes the transaction (col. 5, lines 1-7).

Hence, I concur in the majority's decision to affirm the rejections of claims 16-29 under 35 U.S.C. § 103.

Dissent-in-part

Tilfors "reduces or eliminates the risk for a person entering an order into an automated exchange to get a worse price than he could have gotten at another exchange" (col. 1, lines 45-48). When a bid or offer is entered into Tilfor's automated exchange system, the system automatically checks the best offer or bid from other exchanges and only allows a match if a better price cannot be found at another exchange (col. 1, line 49 – col. 2, line 9).

The majority interprets Tilfors' statement that Tilfors' system "automatically checks the best bid/offer from other exchanges" (col. 1, lines 49-51) as meaning

that Tilfors' system has the structure for finding the best price for either side of an order (decision, page 8). In Tilfors' example, Tilfors assumes that a buy order is received and Tilfors finds the best sell order (col. 2, lines 42-51). Elsewhere, Tilfors uses the term "order" and finds the best price for that order (col. 3, lines 5-39). Tilfors does not disclose or suggest also determining whether there is a different order that is a better deal for the party offering the best price for the existing order. Tilfors finds the best deal for a party entering an order, whether the order is a buy order or a sell order, but Tilfors does not find the best deal for the other party or suggest doing so. Thus, I do not agree with the majority's statement that Tilfors teaches that the system is fully capable of being applied to both parties (decision, page 8). Accordingly, I do not believe the record supports the majority's statement that "given the capacity to perform a function, choosing the party to apply that function toward is purely a business decision, and applying the function to any party or sets of parties is an art recognized equivalent to any other party or set of parties, depending only on the particular costs and benefits of selecting a particular party in the particular environment the function is found" (decision, page 8).

The majority argues that Tilfors devised the system for any trading system such as that of Silverman (decision, page 9), and the examiner argues that both of

Silverman's parties would want to know if there is a better price outside the initial network of users (answer, page 20). In support of those argument the majority (decision, page 9) and the examiner (answer, pages 19-20) rely upon Tilfors' disclosure that it has become more common for the same financial instrument to be traded at different exchanges at the same time, and that an exchange preferably should guarantee that it provides the best price (col. 1, lines 23-40). Silverman's transaction is not executed until mutually acceptable counterparties have negotiated and agreed upon all terms of the transaction (col. 4, lines 65-67; col. 5, lines 1-7). The agreed upon terms appear to be what the parties consider the best combination of terms including price. Thus, the applied references provide no suggestion to use Tilfors' system for either party, let alone both parties, to look for other deals once Silverman's negotiation and agreement have taken place.

The examiner argues that Silverman suggests executing a transaction only if there is no better deal for either party (answer, page 18). In support of that argument the examiner relies (answer, page 18) upon Silverman's disclosure that after a bid and offer have been matched, other users may attempt to negotiate a better deal with the bidder or the offeror (col. 7, lines 46-49). Once Silverman's parties have agreed to the transaction terms, the system executes the transaction regardless of whether another user has made such an attempt or whether there is

Appeal Number: 2006-2896
Application Number: 09/412,408

another source of a better deal for either party. Consequently, the portion of Silverman relied upon by the examiner would not have been sufficient to have fairly suggested, to one of ordinary skill in the art, executing Silverman's transaction only if there is no better trade for either party.

I therefore disagree with the majority's conclusion that the examiner has established a prima facie case of obviousness of the invention claimed in the appellants' claims 1-15. Accordingly, I dissent from the majority's decision to affirm the rejection of those claims under 35 U.S.C. § 103.

Terry J. Owens
TERRY J. OWENS
Administrative Patent Judge

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Appeal Number: 2006-2896

Application Number: 09/412,408

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